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Central Intelligence Agency

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DIRECTORATE OF INTELLIGENCE

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New Conventional Weapons for the PLA

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The Chinese People's Liberation Army is procuring a new generation of conventional military weapons and equipment. Weapons long in development have progressed to a testing or trial production stage and follow-on programs are already in research. Beijing is also renewing its interest in procuring US military hardware and technology, but desires the technology and equipment for indigenous production rather than purchases of large quantities of foreign manufactured arms.

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None of the recently fielded systems is as modern as new conventional weapons in Soviet or Western arsenals, but they are products of China's own arms factories and represent a significant step forward:

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The improvement in China's ability to develop and produce weapons is on track with Beijing's goal of self-sufficiency in defense modernization. Although weapons modernization has come grudgingly and the new weapons are just one step ahead of those being replaced, the recent successes are encouraging to China's military and civilian leaders, who over the past six months have renewed pledges that China will remain largely independent of foreign sources of military hardware.

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In our view, the Chinese will resist importing large quantities of expensive weapons but will still seek increased contacts with Western manufacturers in order to gain access to advanced military technology. The PLA is simply far too large for China to bear the prohibitive price of buying outright the massive quantities of weapons needed to modernize the force. Since China's opening to the West after the Cultural Revolution, Beijing has only purchased samples and small quantities of Western weapons and signed contracts for production rights to a few pieces of military equipment. But China's interest covers a wide spectrum of modern military equipment and focuses on improving defensive capabilities against Soviet armor, aircraft and submarines while improving the mobility and firepower of the PLA

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China will also continue to seek technology illegally and attempt to acquire more copies of advanced Western and Soviet weapons through third countries.

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The Chinese forecast no rise in military spending through 1985 but money probably will be available for research and development and for production of the small and relatively inexpensive weapons currently receiving highest priority. China has sharply reduced spending on procurement of older military equipment and the savings can be applied more selectively to improved systems. New revenues for the defense sector are almost certainly accruing from the sale of arms abroad. Since beginning a concerted program of arms exports for profit in 1980, Beijing has registered sales of over $4.0 billion with the profit margin on individual weapon systems sometimes in excess of 100 percent.

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The speed of modernization is in large measure governed by the development and production process, which we believe will improve as China expands its experience and technology. New weapons have languished for years in development, and production of more sophisticated items often suffers from problems in quality control. In comparison with similar Soviet and US programs, Chinese weapons can take twice as long to get from the drawing board into the field.

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The prospect for weapons modernization over the long term hinge on Beijing's success in building up the economy and improving the industrial base. Military leaders appear resigned to current strictures on spending and on the need to improve civilian areas of the economy and science and technology. Barring significant increases in tensions, they will be forced to accept a comparatively low-cost program of selective equipment upgrades through the current five-year plan (1981-85). As better weapons become available, and as the economic climate improves, we expect the PLA will increasingly lobby for higher defense allocations.

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